

# The future of healthcare

How a healthcare revolution is unlocking new opportunities

## Three big takeaways

- There will be more pandemics. To prepare for them, we need better data, open and honest conversations, and more partnerships between countries and organizations.
- Private and government funding will come together, helping transform healthcare through technology.
- There are three key investment opportunities in healthcare: health technology (healthtech), genetic therapies (using genes to treat and prevent disease), and oncology (especially a growing market in cancer treatments).

Could the lessons learned from tackling COVID-19 drive a revolution in healthcare – not just improving services, but unlocking opportunities for investors?

UBS's sustainable and impact investing strategist, Michaela Seimen Howat, spoke to **Dr Suzan Murray** (head of the Smithsonian Global Health Program), **Jean Nehme** (founder of Digital Surgery), and **Lachlan Towart** (UBS equity research analyst).

## What are the risks of future pandemics? And how can we better prepare for them?

**Dr Suzan Murray:** We know there will be more. We know a lot about diseases and how they spread. For example, most spread to humans from wildlife, particularly in countries with high biodiversity and large populations. And various issues help them spread, such as changing land use, the illegal wildlife trade and global flights. But it's difficult to know when they will strike, because our predictive models are only as good as the data we put in.

We all need to focus on improving that data. We also need open and honest conversations on what worked when tackling COVID-19 and what didn't.

The COVID-19 outbreak taught us that everything's connected. So we must work together on solving these problems. Philanthropy and grants fund many important healthcare projects, and that needs to continue. But we need more partnerships and alliances between public and private sector organisations, countries, philanthropists and scientists.

**Jean Nehme:** No healthcare system was prepared for the pandemic. Every country had to find ways to get more frontline workers, ventilators and medicines – and to share knowledge. Other sectors are well-placed to grow quickly through technology. But healthcare hasn't had the investment it needs to scale. Acquiring and processing quality data is a big part of this.

There's a new opportunity for investors to see the science – and how it can transform our response to viruses and other conditions, such as cancer and mental health. Private and government funding will come together to transform healthcare, based on incredible technology. That's exciting.

## Can you provide examples of how technology is transforming healthcare? And are there any other big trends?

**Lachlan Towart:** COVID-19 has accelerated the trend towards healthtech, such as telemedicine (accessing medical care via digital devices), minimally invasive surgery, miniaturization, and wearable medical devices. The pharmaceutical industry is bringing in technologists; and tech industries are getting involved in healthcare. So they see the opportunity.

Other trends include consumerization, where patients are encouraged to be more involved in, and financially committed to, their healthcare. There's also a trend towards value, where the healthcare industry is striving to cut waste and spend more wisely.

These trends have one thing in common: to work, they all need quality data.

**Jean Nehme:** As a surgeon and doctor, I realized there were huge variations in processes. No matter how much you study for your first operation, it's still incredibly hard. So we created a mobile training application called Touch Surgery that provided surgeons with the knowledge they need to operate for the first time. We then began training computers in surgical processes. Unlike humans, computers never retire. So all that knowledge never leaves the healthcare system.

### **What are the key investment opportunities in healthcare?**

**Lachlan Towart:** There are three.

The first is healthtech. At UBS, we like it from an investment perspective because it makes healthcare more efficient when budgets are low, costs need to be cut, and demand is continually growing. By investing in healthtech, investors are also helping improve access to healthcare services.

The second is genetic therapies, covering new technologies that modify genes to tackle underlying causes of conditions. It's currently quite niche. But if it's replicated in more common diseases, it will transform the drugs industry.

The third is oncology: preventing, diagnosing and treating cancer. We believe the number of diagnosed cancer cases will grow significantly, supporting a large and very investable drugs market. So there are opportunities for investing in large pharmaceutical companies and smaller biotech companies geared towards developing drugs. At UBS, we have investment approaches designed to capitalize on each of these trends.

**Note:**

The price and value of investments and income derived from them can go down as well as up. You may not get back the amount originally invested.



### **What do you think?**

How does healthcare need to change to better look after people worldwide? What challenges must the sector overcome? And what opportunities do you see for investing in healthcare?

We'd love to hear from you! ➤

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